

**Testimony of Michael L. Cook  
before the  
House Government Reform Committee  
March 3, 2005**

**“Satellite Broadband is Critical to Networx”**

**Mr. Chairman, members of the committee, I appreciate and value the opportunity to appear here today on behalf of Hughes Network Systems (HNS), the world’s leading provider of broadband satellite network solutions.**

**Mr. Chairman, you have made it very clear in recent months, how important it is to improve communication amongst government agencies and departments. Your focused vision of a well-coordinated, fully inter-operable, government-wide communications infrastructure is an imperative in today’s world, and it is clear to everyone that this makes the utmost sense.**

**You have been equally clear in stating your belief that Networx must be the gold standard on which government communications requirements are based. We fully agree with you and the industry salutes your leadership. My purpose today is to urge that satellite broadband communications technologies be included in the core Networx portfolio of technologies, and that satellite services be treated equally with the other prominent broadband technologies – DSL and cable.**

**The inclusion of satellite services is where the Networx procurement needs to be modified and improved. This is the purpose of my testimony today.**

**Broadband is today's powerhouse communications technology; it is driving the economy, and will do so for the foreseeable future. Networx recognizes this. In both the Universal and Enterprise Networx component procurements, bidders are required to provide DSL and cable services. However, in both procurement processes, satellite broadband stands as an optional offering. This does not make sense for the government as a customer, either today or over the projected duration of Networx. Nor does it reflect the reality of today's and tomorrow's communications environment. Regardless of claims, hopes or just spin, terrestrial broadband technologies such as DSL are simply not available to every consumer, business or government location throughout the United States.**

**Satellite broadband is not a niche technology, nor an emerging one. It is here, it is real, it is reliable, it is everywhere, it is in wide use in commercial, consumer and government markets, and its use will grow significantly over the next several years.**

**Over 20 million consumers appreciate satellite-delivered digital multi-channel television every day and those numbers are growing rapidly as people are embracing new high-definition technologies.**

**Already today, more than 250,000 Americans rely on satellite broadband communications at home. These customers primarily reside in rural and suburban areas where DSL and cable are not available. A further 200,000 business locations rely on satellite broadband for mission critical communications; Hughes alone transports over 6.5 million credit card transactions each day across its satellite networks. If you are a business or government agency, large or small, satellite gives you the communications capabilities that 21<sup>st</sup> century commerce and e-government demand—high-speed, high-quality service and availability everywhere.**

**Critical large-scale business operations depend on satellite communications. Chances are that you benefit from satellite communications every time you fill your car with gas. Over 90% of all gas stations in all 50 states, of virtually every major oil company, employ satellite communications at the pump for the electronic transaction processes and in the back office for stock control and monitoring applications. The retail industry, the hospitality industry, the automotive industry, the financial services industry and the**

**broadcast industry all rely on satellite broadband. Why should government be any different? Well, it isn't! Government departments and agencies including (among many others) Agriculture, Interior, Homeland Security, the Department of Defense, National Weather Service, and the Postal Service are using satellite technologies and services for day-to-day enterprise applications.**

**Let us also remember that as a backup network, satellite communications is essential in a world of heightened national and homeland security risks, as well as natural disasters. For example, in Hendry County, Florida, hard hit by four hurricanes last year, the county director of operations coordinated all county activities for four days from his home using HNS' DIRECWAY broadband satellite communications services. The land-based communications network was completely incapacitated by the weather for those four days.**

**Satellite broadband also is the most portable of technology choices. From a platform roughly the size of a large carry-on suitcase, satellite broadband was deployed over a sparsely populated and large geographic area in the search for parts of the space shuttle Columbia after that tragic event. It is similarly and routinely deployed in natural disasters when land-**

**based networks are damaged and inoperable, or where terrestrial broadband does not exist, but is required.**

**My point with these examples is this—satellite communications is a viable technology and widely deployed. It is employed in consumer, commercial and government sectors, in critical enterprise operations, for primary communications, backup and continuity of operations functions, audio/video applications and others.**

**If Networx requires broadband technology, it should require all technologies now in wide commercial and government deployment. Satellite broadband offerings should stand side-by-side with DSL and cable in this procurement. Satellite broadband is not, nor should it be, optional. Networx would be much improved and strengthened, if modified accordingly.**

**In making this suggestion, I know that GSA does procure satellite services under a separate contract vehicle. My point, however, is that no such separate contract exists for either DSL or cable broadband. If Networx truly is to embody the government's communications requirements and hence infrastructure, then inclusion of satellite broadband on an equal footing with DSL and cable will provide an**

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**improved and more comprehensive initiative. I hope the final Networx RFP reflects this.**

**Mr. Chairman and members of the committee, I thank you once again for the opportunity to speak here this morning on this most important subject. At the appropriate time, I look forward to answering any questions you might have.**

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